



## Social Security

### Memorandum

**Date:** April 6, 2004

**To:** Peter Ferrara

**From:** Steve Goss, Chief Actuary

**Subject:** Additional Estimated Financial Effects of "The Progressive Personal Account Plan" -- INFORMATION

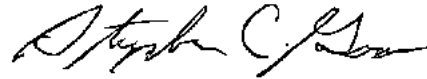
The attached tables 1e and 2e provide additional information that supplements the memorandum of December 1, 2003. All estimates in these tables are entirely consistent with estimates provided on December 1.

Specifically these tables provide a component breakdown of the estimates of total net cash flow from the OASDI trust funds to the General Fund of the Treasury. The total net cash flow estimates were provided in tables 1c and 2c earlier.

Total net cash flow from the trust funds to the general fund is shown in two components. The first is the cash flow due to the net amounts of the specified transfers to the trust funds under this proposal. The amounts of the specified transfers are detailed in columns (3), (4), and (5) of tables 1d and 2d provided earlier. Under the provisions of the proposal, net specified transfers to the trust funds are projected to occur in years 2005 through 2054 in table 1e with expected average yield assumptions, and in years 2005 through beyond 2078 in table 2e with the low-yield assumptions.

The second component is the residual amount of cash flow due to the trust funds' net purchase (or redemption) of assets held in the form of special-issue Treasury securities. Net purchases of Treasury securities are assumed to change to net redemptions starting in 2005, under the proposal. Net redemptions are projected to continue through 2028 under the expected average yield assumptions and through 2034 under the low-yield assumptions. After these years, the trust funds are expected to

make no further net purchase or redemption of Treasury securities, on a cash flow basis. The trust funds, by the design of the proposal are then projected to grow solely through the reinvestment of interest credited on assets.

A handwritten signature in black ink, appearing to read "Stephen C. Goss". The signature is fluid and cursive, with the first name "Stephen" being the most prominent part.

Stephen C. Goss

Attachments

Table 1 e Ferrara Proposal --Components of Cash Flow from the Trust Funds to the General Fund of the Treasury

Expected Average Yield	Cash Flow Due to			Total Cash Flow to the General Fund (= Columns (1) (2) (3) in Constant Dollars) (4)	Cash Flow Due to Net Specified Transfers (5)	Net Purchase (Redemption) of Treasury Securities (6)
	Total Cash Flow to the General Fund (Tab c:col 3) (1)	Net Specified Transfers under the Proposal (Tab d: (5)-(3)-(4) (2)	Cash Flow for Net Purchase (Redemption) of Treasury Securities (3)			
Year	<i>(billions of PV\$ 1/1/2003)</i>			<i>(billions of constant 2003 dollars)</i>		
2003	76		76	78		78
2004	77		77	82		82
2005	-144	-14	-130	-159	-15	-144
2006	-154	-38	-115	-175	-44	-131
2007	-156	-63	-93	-183	-74	-109
2008	-161	-87	-74	-195	-105	-89
2009	-167	-111	-56	-209	-138	-70
2010	-173	-134	-40	-223	-172	-51
2011	-179	-156	-23	-237	-207	-30
2012	-185	-178	-8	-254	-243	-10
2013	-193	-181	-12	-272	-255	-17
2014	-200	-184	-16	-290	-267	-24
2015	-206	-186	-20	-309	-279	-30
2016	-212	-189	-24	-328	-291	-36
2017	-218	-192	-26	-346	-304	-42
2018	-223	-194	-28	-365	-318	-47
2019	-227	-197	-30	-382	-332	-50
2020	-230	-200	-30	-400	-347	-53
2021	-233	-202	-31	-417	-362	-55
2022	-235	-205	-30	-434	-378	-56
2023	-235	-208	-28	-447	-394	-53
2024	-235	-210	-25	-459	-411	-49
2025	-234	-213	-21	-470	-428	-42
2026	-231	-215	-16	-480	-446	-34
2027	-228	-217	-11	-487	-464	-23
2028	-224	-220	-4	-492	-483	-9
2029	-219	-219	0	-495	-496	0
2030	-213	-212	0	-496	-496	0
2031	-206	-206	0	-495	-494	0
2032	-198	-198	0	-491	-491	0
2033	-190	-190	0	-485	-485	0
2034	-182	-181	0	-477	-477	0
2035	-173	-173	0	-467	-467	0
2036	-164	-164	0	-456	-456	0
2037	-154	-154	0	-443	-443	0
2038	-145	-144	0	-427	-427	0
2039	-135	-135	0	-410	-410	0
2040	-125	-125	0	-392	-392	0
2041	-115	-115	0	-372	-372	0
2042	-105	-105	0	-350	-349	0
2043	-95	-95	0	-327	-327	0
2044	-86	-86	0	-302	-302	0
2045	-76	-76	0	-277	-277	0
2046	-67	-67	0	-251	-250	-1
2047	-58	-58	0	-223	-223	0
2048	-49	-49	0	-195	-194	0
2049	-41	-40	0	-166	-166	0
2050	-32	-32	0	-137	-136	0
2051	-25	-25	0	-107	-107	0
2052	-17	-17	0	-78	-77	-1
2053	-10	-10	0	-48	-48	-1
2054	-4	-4	0	-20	-20	0
2055	0	0	0	0	0	0
2056	0	0	0	0	0	0
2057	0	0	0	0	0	0
2058	0	0	0	0	0	0
2059	0	0	0	0	0	0
2060	0	0	0	0	0	0
2061	0	0	0	0	0	0
2062	0	0	0	0	0	0
2063	0	0	0	0	0	0
2064	0	0	0	0	0	0
2065	0	0	0	0	0	0
2066	0	0	0	0	0	0
2067	0	0	0	0	0	0
2068	0	0	0	0	0	0
2069	0	0	0	0	0	0
2070	0	0	0	0	0	0
2071	0	0	0	0	0	0
2072	0	0	0	0	0	0
2073	0	0	0	0	0	0
2074	0	0	0	0	0	0
2075	0	0	0	0	0	0
2076	0	0	0	0	0	0
2077	0	0	0	0	0	0
2078	0	0	0	0	0	0
2003-77	-7,613	-6,873	-740			

Based on Intermediate Assumptions of the 2003 Trustees Report

Office of the Actuary  
Social Security Administration  
April 6, 2004

Table 2 e Ferrara Proposal --Components of Cash Flow from the Trust Funds to the General Fund of the Treasury

Year	Total Cash Flow to the General Fund (Tab c:col 3)	Cash Flow Due to Net Specified Transfers under the Proposal (Tab d: (5)-(3)-(4))	Cash Flow for Net Purchase (Redemption) of Treasury Securities (3)	Total Cash Flow to the General Fund (= Columns (1) (2) (3) in Constant Dollars)	Cash Flow Due to Net Specified Transfers (5)	Net Purchase (Redemption) of Treasury Securities (6)
	<i>(billions of PV\$ 1/1/2003)</i>			<i>(billions of constant 2003 dollars)</i>		
2003	76		76	78		78
2004	77		77	82		82
2005	-144	-13	-131	-159	-14	-144
2006	-154	-36	-118	-175	-41	-134
2007	-156	-58	-98	-183	-69	-115
2008	-161	-81	-80	-195	-98	-97
2009	-167	-102	-65	-209	-127	-81
2010	-173	-123	-51	-223	-158	-65
2011	-179	-143	-36	-237	-190	-48
2012	-186	-162	-24	-254	-222	-32
2013	-193	-181	-13	-273	-255	-18
2014	-201	-199	-2	-292	-289	-3
2015	-208	-216	8	-312	-323	11
2016	-215	-215	0	-331	-332	1
2017	-220	-214	-6	-350	-340	-10
2018	-226	-213	-13	-370	-350	-20
2019	-231	-213	-18	-389	-359	-30
2020	-235	-212	-23	-408	-368	-40
2021	-239	-211	-28	-427	-378	-49
2022	-241	-210	-31	-445	-388	-57
2023	-243	-209	-33	-460	-397	-63
2024	-243	-208	-35	-475	-407	-67
2025	-242	-207	-35	-488	-417	-71
2026	-241	-206	-35	-500	-428	-72
2027	-239	-205	-33	-510	-438	-72
2028	-235	-204	-31	-518	-449	-69
2029	-231	-203	-28	-524	-459	-64
2030	-226	-202	-25	-528	-470	-58
2031	-220	-200	-20	-530	-482	-49
2032	-214	-199	-15	-530	-493	-38
2033	-207	-198	-10	-529	-504	-24
2034	-200	-196	-4	-525	-516	-9
2035	-192	-192	0	-521	-521	0
2036	-184	-184	0	-514	-514	0
2037	-176	-176	0	-506	-506	0
2038	-168	-168	0	-497	-497	0
2039	-160	-160	0	-486	-486	0
2040	-151	-151	0	-474	-474	0
2041	-143	-143	0	-461	-462	0
2042	-134	-134	0	-447	-447	-1
2043	-126	-126	0	-433	-432	0
2044	-118	-118	0	-417	-416	0
2045	-110	-110	0	-400	-400	0
2046	-102	-102	0	-383	-382	-1
2047	-94	-94	0	-364	-364	0
2048	-87	-87	0	-346	-346	0
2049	-80	-80	0	-328	-327	-1
2050	-73	-73	0	-309	-309	-1
2051	-67	-67	0	-291	-292	0
2052	-61	-61	0	-274	-274	0
2053	-55	-55	0	-255	-255	-1
2054	-50	-50	0	-238	-238	0
2055	-45	-45	0	-221	-221	0
2056	-41	-41	0	-205	-205	0
2057	-37	-37	0	-190	-190	0
2058	-33	-33	0	-175	-175	-1
2059	-30	-29	0	-162	-162	-1
2060	-27	-26	0	-151	-150	-1
2061	-24	-24	0	-140	-140	0
2062	-22	-22	0	-131	-131	0
2063	-20	-20	0	-123	-123	-1
2064	-18	-18	0	-116	-116	0
2065	-17	-17	0	-110	-110	0
2066	-16	-15	0	-105	-104	-1
2067	-14	-14	0	-100	-100	0
2068	-13	-13	0	-96	-96	0
2069	-13	-12	0	-93	-92	-1
2070	-12	-12	0	-91	-90	0
2071	-11	-11	0	-89	-88	0
2072	-11	-11	0	-87	-87	-1
2073	-10	-10	0	-87	-86	0
2074	-10	-10	0	-86	-86	0
2075	-10	-10	0	-86	-86	-1
2076	-10	-10	0	-87	-86	0
2077	-9	-9	0	-88	-87	0
2078	-9	-9	0	-89	-89	0
2003-77	-8,903	-8,022	-881			

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